

POKER
MEMORANDUM OF UNDERSTANDING

POKER
MEMORANDUM OF UNDERSTANDING

TABLE OF CONTENTS

LIMITS AND EXCLUSIVITY	1
CONDUCT OF POKER	1
(I) DEFINITIONS.....	1
(II) GENERAL REQUIREMENT.....	2
A. Types of Card Games	2
B. Number of Card Game Tables	2
C. Licensing and Certification of Card Room Employees	2
D. Access to Records and Reports	2
E. Inspection of Card Tables, Cards and Play	3
F. Adoption of Rules	3
G. Currency Transaction Reporting.....	3
H. Credit.....	4
I. Card Game Training	4
J. Notice of Installation	4
K. Notice of Removal	5
L. Equipment Control.....	5
M. Card Controls	5
N. Supervision and Card Room Area.....	6
O. Prohibited Acts	6
P. Cards – Inspection and presentation.....	6
Q. Cards – Removal from Use	7
R. Dealer Tips	7
S. Chips and Tokens.....	7
(III) POKER REQUIREMENTS.....	8
A. Posting and Furnishing of Rules.....	8
B. Proposition Players.....	8
C. Restrictions of Other Players.....	9
D. Rake-Off and Time collection	9
E. Table Stakes.....	9
F. Drop Boxes.....	9
G. Card Room Banks (or Cage).....	9
H. Card Table Banks.....	9
I. Card Table Drop and Count Standards	10
J. Tribal Contributions	10
K. Limitations on Jackpots	10
L. Poker Tournaments	10
M. Entry Fee and Player Buy-in.....	11
(IV) RESOLUTION OF DISPUTES	11
A. Notice/Negotiation	11
B. Mediation	11
C. Arbitration	12
D. Enforcement.	15

REGULATION AND MONITORING OF AGREEMENT	15
NOTICES	15
AUTHORITY TO EXECUTE	16
ENTIRE AGREEMENT	16
EFFECTIVE PERIOD	16
COUNTERPARTS	16
INTERPRETATION.....	16
MODIFICATIONS	16

NOTE: Whenever the term "Tribe" appears in the following Poker Memorandum of Understanding, the terms "Community" or "Nation" may be substituted as appropriate.

**MEMORANDUM OF UNDERSTANDING REGARDING POKER BETWEEN THE _____
INDIAN TRIBE (COMMUNITY) AND THE STATE OF ARIZONA**

Consistent with the Compact and A.R.S. § 5-601.02(C), the _____ Indian Tribe (the "Tribe") and the State of Arizona (the "State") hereby enter into the following Memorandum of Understanding (the "Agreement") this 4th day of December, 2002 regarding the Tribe's conduct of Class II Poker.

LIMITS AND EXCLUSIVITY

The Tribe agrees to forbear the play of poker except as provided herein in consideration for the rights and privileges set forth in the _____ Indian Tribe and State of Arizona Gaming Compact entered into _____ (date) (the "Compact").

The Tribe and the State agree that the limits with respect to the conduct of card games as set forth in the Compact shall apply to the conduct of poker. These limits include: (i) wager limits set forth at Compact Section 3(m); (ii) the limits on numbers of player positions for each card game table as found at Compact Section 3(e); (iii) that card games shall only be conducted in Gaming Facilities authorized by the Compact as stated in Compact Section 3(e); and (iv) that card games shall only be played on a limited number of tables, such that the total number of poker tables coupled with the total number of blackjack and Jackpot Poker tables does not exceed the total Card Game Tables allowed under Compact Sections 3(c) and 3(e).

The Tribe and the State further agree that the applicable exclusivity provisions of the Compact as found at Sections 3(g) and (h) are incorporated into the terms of this Agreement. Nothing in this Agreement shall in any way be interpreted to infringe or encroach upon the jurisdiction of the National Indian Gaming Commission ("Commission") over the regulation of Class II gaming. The parties may renegotiate provisions of this Agreement to maintain consistency with Commission opinions and regulations.

CONDUCT OF POKER

I. DEFINITIONS.

In addition to definitions set forth in the Compact and its appendices, the following definitions shall apply to this Agreement and to the rules of poker, including all approved variations, conducted by the Tribe:

- (1) "Bad beat pots or pools" means promotional pots and pools which are contributed to by players or the Gaming Facility Operator and distributed to players based upon the occurrence of a predetermined event, such as losing a hand containing a four-of-a-kind or some other predetermined combination of cards.
- (2) "Bet" means a player's wager to the pot on any betting round.
- (3) "Buy-in" means a purchase of chips by a player prior to play.
- (4) "Card room supervisor or management employee" means, for the purpose of this Agreement, any employee assigned duties and responsibilities that include:
 - (a) directing dealers in the performance of their duties;
 - (b) supervising game activity, dealing procedures and compliance with internal controls;
 - (c) initially resolving player disputes from table play;
 - (d) making decisions regarding the seating of players; or
 - (e) making decisions regarding work scheduling of card room employees.
- (5) "Card table bank" means an imprest inventory of cash, chips and tokens physically located in the table tray on the card table and controlled by and accountable through the

card room bank. Card table banks are only to be used for the purpose of making change, handling player buy-ins, or storing dealer tips.

- (6) "Deal" means the distribution of playing cards among the players.
- (7) "Draw" means in draw poker, the taking of additional cards by a player prior to the second round of betting.
- (8) "Hand" means one game in a series, one deal, the cards held by a player, or the best five cards of a player's holding.
- (9) "Jackpot promotional award" means a special award from the jackpot promotional fund, in addition to the money in the pot, paid following the occurrence of a specific pre-defined situation to qualifying individuals playing jackpot poker, as specified by the posted jackpot rules.
- (10) "Jackpot rake" means a separate rake taken to build the jackpot promotional fund. A standard rake may be taken in addition to the jackpot rake.
- (11) "Jackpot promotional fund" means a fund to which the players or Gaming Facility Operator contribute for the benefit of the players. Funds are distributed to players based on predetermined events.
- (12) "Pot" means a location on the poker table or the total amount anted and bet by players during a hand which is awarded to the winning player or players.
- (13) "Proposition player (also referred to as a public relations player)" means a player who receives a salary, wage, or fixed sum from the Gaming Facility Operator for playing in short games (those with empty seats), starting new games, or filling in where needed. Although a proposition player works for the Gaming Facility Operator, he plays his own money, retains his winnings and absorbs his losses (thus differing from a stakes player).
- (14) "Shill" means an employee financed by the Gaming Facility Operator and acting as a player for the purpose of starting or maintaining a sufficient number of players in a game.
- (15) "Stakes player" means a player financed by the Gaming Facility Operator to play for the purpose of starting a game that would otherwise be short, or to keep a game that is becoming short from breaking up. A stakes player participates in a game under an arrangement or understanding where by such person retains all or a percentage of his profits (after returning to the house the amount given him when he was first put in), usually at the end of a shift, but absorbs none of the losses.
- (16) "Time collection" means a charge to a player, determined on a time basis, by the Gaming Facility Operator for the right to participate in a game.

II. GENERAL REQUIREMENTS

A. Types of Card Games.

The Gaming Facility Operator shall only conduct poker games under game rules approved and authorized by the Tribal Gaming Office and the State Gaming Agency. Authorized poker games shall not exceed the wager limitations established in Section 3 of the Compact.

B. Number of Card Game Tables.

The number of Card Game Tables in play and the number of Card Game Table player positions shall not exceed the limits established in Section 3 of the Compact. Card Game Tables used in authorized tournament play shall be included when determining the total number of Card Game Tables in play in a Gaming Facility. No card games shall be operated outside of a Gaming Facility.

C. Licensing and Certification of Card Room Employees.

All card room employees shall be licensed by the Tribal Gaming Office and certified by the State Gaming Agency in accordance with the provisions of Sections 4 and 5 of the Compact.

D. Access to Records and Reports.

The State Gaming Agency shall have access to all records of the card room and poker gaming, pursuant to the provisions of Section 6 and 7 of the Compact, including, but not limited to:

- (1) daily activity and accounting records;
- (2) security reports;
- (3) surveillance activities and reports; and
- (4) investigative reports.

E. Inspection of Card Tables, Cards and Play.

The State Gaming Agency shall be authorized to inspect any card table, playing cards, related operations and/or observe any poker gaming pursuant to the provisions of the Compact and its appendices.

F. Adoption of Rules.

- (1) The Gaming Facility Operator shall submit for approval to the Tribal Gaming Office rules and procedures for play to govern the conduct of card games operated in each Gaming Facility deemed appropriate to ensure the integrity, fairness and security of play. The Tribal Gaming Office shall review and issue a letter either approving or disapproving the rules and procedures for each game to be played in the Gaming Facility prior to implementation.
- (2) Copies of game rules and procedures shall be provided to the State Gaming Agency prior to implementation for review and approval. Within seven (7) days of receipt, the State Gaming Agency shall submit to the Tribal Gaming Office written comments and objections to the proposed rules and procedures. If the State Gaming Agency does not object within seven (7) days, then the rules and procedures are deemed approved. If the State Gaming Agency does object, the Tribal Gaming Office and State Gaming Agency shall meet and confer within fourteen (14) days in a good faith effort to resolve the objections. Unresolved objections to any proposed rules and procedures shall be resolved expeditiously pursuant to the provisions of Section 15 of the Compact prior to implementation.
- (3) Summaries of the rules of each game relevant to the method of play and, if applicable, odds paid to winning wagers shall be visibly displayed in the Gaming Facility and wagering limits applicable to any card table shall be displayed at such card table.
- (4) Game rules and procedures approved by the Tribal Gaming Office shall include in addition to the rules of play:
 - (a) Specifications provided by the equipment manufacturer or supplier applicable to gaming equipment;
 - (b) Physical characteristics of chips;
 - (c) Physical characteristics of such other gaming equipment as may be required for use in authorized card games, including, but not limited to: cards (including procedures for receipt and storage); card tables; table layouts; shoes (including procedures for receipt and storage), if applicable; and shuffling devices (including procedures for receipt and storage), if applicable; and
 - (d) Rules for each authorized card game, including, but not limited to: procedures of play; minimum and maximum permissible wagers; shuffling, cutting and dealing techniques, as applicable; payout odds on each form of wager, as applicable; procedures to be followed on occurrence of irregularities, including definition of irregularities as applicable to each game; and prohibitions on side betting between and against players.

G. Currency Transaction Reporting.

The Tribal Gaming Office, or the Gaming Facility Operator as approved by the Tribal Gaming Office, shall establish and the Gaming Facility Operator shall comply with procedures and controls necessary to comply with the provisions of the federal Bank Secrecy Act and the federal USA Patriot Act. Copies of the procedures and controls established to comply with the Acts shall be provided to the Tribal Gaming Office and available to the State Gaming Agency upon request.

H. Credit.

- (1) Except as otherwise provided, no employee of the Gaming Facility Operator, and no person acting on behalf of or under any arrangement with the Gaming Facility Operator, shall make any loan, or otherwise provide or allow to any person any credit or advance of anything of value or which represents value to enable any person to take part in gaming activities as a player; provided, that nothing in this Agreement shall restrict the providing of cash advances on player's credit cards or bank cards in accordance with normal commercial practices and provisions of the Compact; provided further, that nothing in this Agreement shall restrict the use of player checks when utilized in accordance with the provisions of the Compact. Marker credit play shall not be allowed. Personal checks or other name credit instruments shall not be accepted at a card table. Foreign currency shall not be accepted at a card table.
- (2) No employee of the Gaming Facility Operator, and no person acting on behalf of or under any arrangement with the Gaming Facility Operator, shall make, solicit or receive any loan, or otherwise receive any credit or advance of anything of value from a patron.

I. Card Game Training.

- (1) Prior to any new card game being implemented at the Gaming Facility, the Tribal Gaming Office shall require the Gaming Facility Operator to provide appropriate training for all dealers, supervisors, and surveillance personnel, and any other employees involved in the conduct or regulation of the card game such that those employees have the knowledge and skills required under typical industry standards for the job function that employee performs, including but not limited to player money management and wagering, and detection of cheating methods. Tribal Gaming Office employees responsible for poker shall receive appropriate training in any new card game, independent of the Gaming Facility Operator, except that training for game procedures and rules specific to a Gaming Facility may be provided by the Gaming Facility Operator.
- (2) The Tribal Gaming Office shall notify the State Gaming Agency prior to the beginning the new training programs and shall provide the State Gaming Agency an opportunity to participate.

J. Notice of Installation.

- (1) The Gaming Facility Operator shall provide the Tribal Gaming Office advance written notice that it intends to install or re-install, or modify any card table, including any newly purchased, leased, or previously approved card table, for use for play prior to placing such card table into play at any Gaming Facility. Such notification shall be provided in time to allow the Tribal Gaming Office to schedule employees to inspect and test, as applicable, such card tables prior to use for play, and to provide to the State Gaming Agency sufficient notification.
- (2) The Tribal Gaming Office shall provide the State Gaming Agency with all the information the Gaming Facility Operator is required to provide to the Tribal Gaming Office upon notification by the Gaming Facility Operator to allow the State Gaming Agency to coordinate inspection and testing, as applicable.
- (3) All installation, reinstallation, and modifications of card tables shall be approved by the Tribal Gaming Office prior to use for play in a Gaming Facility. All card tables shall have affixed an identifying approval seal or equivalent from the Tribal Gaming Office while in use for play in a Gaming Facility. If the State Gaming Agency is not present at the time of installation, reinstallation or modification, the Gaming Facility Operator may put the card table in use for play if approved by the Tribal Gaming Office.
- (4) When the State Gaming Agency approves a card table for either use for play or continued use, it shall affix an identifying approval seal or equivalent to the card table. If the State Gaming Agency denies approval for use for play or continued use, the State Gaming Agency shall, at the conclusion of inspection and testing, as applicable, orally explain to the Gaming Facility Operator and the Tribal Gaming Office why the State

Gaming Agency is denying approval. The State Gaming Agency shall promptly issue a written statement to the Gaming Facility Operator and Tribal Gaming Office setting forth the grounds for denial of approval.

- (5) The Tribal Gaming Office and the State Gaming Agency shall ensure that all card tables and gaming play are properly covered by surveillance, pursuant to Appendix C Security and Surveillance Requirements and Appendix H Minimum Internal Control Standards.

K. Notice of Removal.

- (1) The Gaming Facility Operator shall provide the Tribal Gaming Office five (5) days advance written notice if it intends to remove any card table from the Gaming Facility or to allow such card tables to be removed. The notice shall identify which card table(s) will be removed from the Gaming Facility and give details regarding when they will be removed and where, and to whom they will be taken. The Tribal Gaming Office shall immediately remove and discard all affixed approval seals from any card tables removed from the Gaming Facility and shall provide the State Gaming Agency written verification of having discarded the seals.
- (2) If card tables are merely moved to storage, the Gaming Facility Operator shall provide the Tribal Gaming Office 24 hours advance written notice of the card tables to be moved and seals need not be removed. The Tribal Gaming Office shall provide written notice to the State Gaming Agency within 48 hours of such movement.

L. Equipment Control.

All card tables and associated equipment, as applicable, shall be purchased, leased or acquired only from manufacturers, distributors, or suppliers certified by the State Gaming Agency and licensed by the Tribal Gaming Office in accordance with the provisions of Section 4 and 5 of the Compact.

M. Card Controls.

- (1) All playing cards shall be purchased or acquired only from manufacturers, distributors, or suppliers certified by the State Gaming Agency and licensed by the Tribal Gaming Office in accordance with the provisions of Section 4 and 5 of the Compact.
- (2) Playing cards may have imprinted on them the name and/or logo of the gaming establishment. The design on the backs of the cards in the deck shall be identical, and no card may contain any marking, symbol, or design that enables a player to know the identity of any element printed on the face of the card. The backs of the cards in the deck shall be designed to eliminate the ability of any person to place concealed markings on them.
- (3) The Tribal Gaming Office, or the Gaming Facility Operator as approved by the Tribal Gaming Office, shall establish appropriate procedures and controls for purposes of security and integrity to ensure all decks of playing cards are properly accounted for from the time of receipt to the time of destruction or disposition.
- (4) A secured location for storing unissued playing cards shall be maintained. The secured location shall be under constant monitoring by surveillance cameras. The exit and entrance to this area shall be viewed by at least one fixed camera. A sign-in and sign-out log shall be completed by individuals entering the area. Surveillance shall be notified when persons request entry into this area. At no time will a single individual be allowed to enter this area alone.
- (5) The Gaming Facility Operator shall maintain an ongoing perpetual inventory of cards that allows for the immediate verification of balances. Not less than monthly, someone independent of the card room shall verify the card inventory and perpetual inventory records. Any discrepancies shall be immediately investigated and reported to the Tribal Gaming Office and the State Gaming Agency.
- (6) Cards maintained in the card room area shall be stored in a locked cabinet and only accessible to authorized personnel.

N. Supervision and Card Room Area.

- (1) A designated supervisor shall be responsible for the supervision of card games activity, including observing dealers and players, viewing drop box removal at established times, initially resolving player disputes arising from table play, and other duties as required. At least one supervisor shall be in the card room area at all times that card tables are open for play.
- (2) No card room supervisor or management employee shall be permitted to wager in any card game operated by the Gaming Facility Operator; however, where the Tribe never operates more than ten poker and jackpot poker tables at one time, an on duty floor person may act as a proposition player pursuant to procedures established by the Gaming Facility Operator and approved by the Tribal Gaming Office and State Gaming Agency, when such play by the floor person is necessary to keep a poker game operating.
- (3) All card room supervisors and management employees shall be knowledgeable in the play of all games played and the regulatory requirements of such games.
- (4) No Card room supervisor or management employee shall, directly or indirectly, solicit, accept, or receive tips or gratuities from any patron or gaming employee, except as provided in Section II(R) of this Agreement.
- (5) No card room employee shall, directly or indirectly, share with, offer, or give tips or gratuities to any card room supervisor or management employee, except as provided in Section II(R) of this Agreement.

O. Prohibited Acts.

- (1) No Gaming Facility Operator or other person shall remove, add, or alter any cards except as provided by this Agreement, and no dealer or other employee of the Gaming Facility Operator shall permit any person to engage in such activity.
- (2) The dealer shall not look at, nor expose to any person, the face of a card before it is dealt.
- (3) A player shall not use any person, device, object, process, or procedures, other than the player's own unrecorded mental acuity, which is designed or intended to:
 - (a) Project the outcome of the game;
 - (b) To keep track of the cards played; or
 - (c) To analyze or predict the probability of the occurrence of an event relating to the game.
 - (d) Nothing in this section shall prohibit a player from using a strategy card, except when the Gaming Facility Operator has posted notice prohibiting such use.
- (4) No dealer, floor person or supervisor shall advise a player about game strategy nor recommend the proper play of a hand while the player has a wager still pending on the outcome of the hand.
- (5) No person may introduce into any card game any playing card that was not obtained through the current deal of the cards by the dealer, or any chip other than those obtained from the Gaming Facility where the card game is being played.

P. Cards - Inspection and presentation.

- (1) Upon receiving a deck of cards at a table, the dealer shall sort and inspect the cards. The dealer shall ensure that the deck is complete, and that no cards are obviously flawed, scratched, or marked in any way. A floor person, supervisor, or surveillance shall verify the inspection.
- (2) The dealer shall spread out the cards, faced upward on the table, according to suit, and in sequence, in such a manner that each individual card can be identified. The surveillance system shall record this process.
- (3) If, after checking the cards, the dealer finds that certain cards are damaged or improper, a substitute card or deck, as applicable, shall be brought from the card room inventory.

Q. Cards - Removal from Use.

- (1) The Gaming Facility Operator shall remove cards at any time if there is any indication of tampering, flaws, scratches, marks, or other defects that might affect the integrity or fairness of the game or at the request of an authorized representative of the Tribal Gaming Office or the State Gaming Agency. Any cards or deck of cards which indicate purposeful tampering shall be placed in a sealed envelope or container, identified by table number, date and time, and shall be signed or initialed by the dealer and a card room supervisor.
- (2) All envelopes and containers containing cards (or deck of cards) which indicate purposeful tampering shall be turned over to the Tribal Gaming Office who shall inspect them for tampering, marks, alterations, missing or additional cards, or anything that might indicate unfair play. The Tribal Gaming Office shall promptly notify the State Gaming Agency of any cards which indicate purposeful tampering and shall allow the State Gaming Agency to inspect such cards upon request.

R. Dealer Tips.

- (1) The Tribal Gaming Office, or the Gaming Facility Operator as approved by the Tribal Gaming Office, shall establish the criteria and procedures for the acceptance and, as applicable, distribution of tips. At a minimum, such procedures shall require that tips be placed in the card table bank, tip drop box, or dealer's front shirt pocket. The procedures shall provide the criteria to ensure that tips received are reported as income for tax purposes for the individuals receiving them pursuant to applicable tax laws.
- (2) No Gaming Facility Operator employee directly concerned with management, accounting, or surveillance shall solicit or accept any tip or gratuity. A card room supervisor or management employee, while temporarily relieving a dealer, may accept tips on behalf of the regularly scheduled dealer, to be immediately deposited in a card table bank, tip drop box, or designated area reserved for that purpose. At no time shall any card room supervisor or management employee directly or indirectly solicit or accept any tip or gratuity from an employee under their supervision, or any other employee, at the Gaming Facility where they are employed. Notwithstanding the above, card room supervisors and management employees may participate in the distribution of gratuities or tips if a pooling and distribution process approved by the Tribal Gaming Office is used.
- (3) The Gaming Facility Operator shall establish procedures consistent with state and federal laws for accounting of all tips and gratuities received by Gaming Employees.

S. Chips and Tokens.

- (1) General. A Gaming Facility Operator may not issue chips or tokens for use in its Gaming Facility(s), or sell or redeem chips or tokens, unless the specifications of the chips or tokens have been approved in writing by the Tribal Gaming Office. The Tribal Gaming Office, or the Gaming Facility Operator as approved by the Tribal Gaming Office, shall establish and the Gaming Facility Operator shall comply with appropriate procedures and controls for purposes of security and integrity to ensure that all chips and tokens are properly accounted for from the time of receipt to the time of destruction or disposition. Unused and/or reserve gaming chip inventory(s) shall be maintained in a secure location to prevent unauthorized access. This area shall be under constant monitoring by surveillance department personnel. Not less than monthly, accounting personnel shall reconcile unused and/or reserve gaming chip inventory(s) to accountability records.
- (2) Specifications for chips and tokens.
All chips and tokens shall be purchased or acquired only from manufacturers, distributors, or suppliers certified by the State Gaming Agency and licensed by the Tribal Gaming Office in accordance with the provisions of Sections 4 and 5 of the Compact. Chips and tokens shall be designed, manufactured, and constructed in compliance with

all applicable statutes. Chips and tokens shall not deceptively resemble any current or past coinage or currency of the United States or any other nations. In addition to other specifications that the Tribal Gaming Office may approve, the following shall appear on the chip or token:

- (a) The name of the issuing Tribe and/or Gaming Facility shall be inscribed on at least one side of a chip or token;
 - (b) The value of the chip or token shall be inscribed on both sides of a chip; and
 - (c) A chip shall be designed so that when stacked with chips and tokens of other denominations and viewed on surveillance monitors, the denomination of the chip may be distinguished from that of the other chips and tokens in the stack.
- (3) Within one year of the Effective Date of the Compact, the Gaming Facility Operator shall comply with the following standards for chips used in the Gaming Facility. Denominations of chips shall be denoted by the following colors:
- (a) A five-dollar chip shall be predominantly red;
 - (b) A twenty-five-dollar chip shall be predominantly green;
 - (c) A one-hundred dollar chip shall be predominately black;
 - (d) A five-hundred dollar chip shall be predominately purple;
 - (e) Tournament and promotional chips may be of any color;
 - (f) Chips designed for play of specific games may be of any color, or in the colors required by the rules of the game; and
 - (g) Other chip denominations may be used with approval of the Tribal Gaming Office and the State Gaming Agency.

III. POKER REQUIREMENTS

A. Posting and Furnishing of Rules.

- (1) House rules shall be posted and shall be clear and legible and placed in a conspicuous accessible location available to all players in the card room.
- (2) The maximum rake percentage, buy-in or other fee charged, the number of raises allowed, the monetary limit of each raise, the amount of the ante, and other card game rules shall be available upon the request of any player.
- (3) The Gaming Facility Operator shall furnish, upon the request of any player, a complete legible set of all the basic rules of play and betting procedures, including house rules.

B. Proposition Players.

- (1) All proposition players authorized pursuant to this Agreement shall be certified by the State Gaming Agency and licensed by the Tribal Gaming Office as Gaming Employees pursuant to the provisions of the Compact.
- (2) Proposition players shall not play in any manner among themselves or in collusion with others to the disadvantage of other players in the game.
- (3) Each Gaming Facility Operator employing proposition players shall identify proposition players upon request and shall display a clear and legible sign in a conspicuous and conveniently accessible location which states, in substantially this form: "Tribal gaming regulations allow the use of proposition players. Proposition players will be identified by management upon request."
- (4) Each Gaming Facility Operator shall maintain a list of all proposition players, readily available for inspection by the Tribal Gaming Office and the State Gaming Agency
- (5) Dealers may only act as proposition players if in accordance with the Gaming Facility Operator's approved procedures.
- (6) Card room supervisors or management employees shall not act as proposition players; however, where the Tribe never operates more than ten poker and jackpot poker tables at one time, an on duty floor person may act as a proposition player pursuant to procedures established by the Gaming Facility Operator and approved by the Tribal

Gaming Office and State Gaming Agency, when such play by the floor person is necessary to keep a jackpot poker game operating.

C. Restrictions of Other Players.

- (1) No dealer shall wager in any card game in which he is dealing.
- (2) No Gaming Employee shall be allowed to stake, or have a stake in, a player in any card game in the Gaming Facility.
- (3) Shills and stakes players are not authorized pursuant to this Agreement and shall not be utilized by any Gaming Facility Operator.

D. Rake-Off and Time collection.

- (1) A rake shall be collected in accordance with the posted rules. Time rake collection shall be allowed in any game, predetermined by management. The dealer shall not deviate from the standard rake or rake-off procedures without prior management approval.
- (2) A standard rake chart and rake-off procedures shall be set by management.
- (3) A rake shall only be pulled by the dealer in an obvious manner. The rake shall be placed in a designated rake circle/area or on top of the drop slide and shall remain in the designated rake circle/area or on top of the drop slide until a winner is declared and paid. The rake shall then be inserted into the card table drop box.
- (4) For time rakes, the dealer shall place the rake in the designated rake circle/area and shall announce to the manager/supervisor that he has a time rake. The manager/supervisor shall verify the time rake and shall observe the dealer place the time rake into the card table drop box.

E. Table Stakes.

- (1) Players in approved card games may bet only the visible portion of chips and tokens in front of them on the table when the hand begins. Such players may add to their stacks at any time before the hand starts, but cannot take money that has been in play for even one hand off the table until they cash out, except that money on the table may be used for tips and to purchase food and beverages served at the table, as applicable.
- (2) Players shall not be allowed to loan or exchange cash, chips or tokens with another player while a hand is in progress.

F. Drop Boxes.

Each card table shall have one drop box with a drop slot located at least two inches to the right of and even with the top right corner of the table tray, with a cover over the drop slot. At the conclusion of the hand the rake is placed in the drop box by the dealer. The drop box shall be a locked container marked with a permanent number corresponding to the permanent number on the card table. The locked container shall be locked to the card table and shall be separately keyed from the container itself.

G. Card Room Banks (or Cage).

- (1) Card room banks shall be used exclusively for the purpose of the issuance and receipt of card table banks, the maintenance of card table banks used in card games, and the purchase and redemption of chips by players or dealers.
- (2) Card room banks shall be maintained on an imprest basis. Access and keys to the card room bank(s) shall be controlled in accordance with the Gaming Facility Operator's approved access and key control procedures and minimum internal control standards. Accountability for the imprest bank(s) shall be established in accordance with the Gaming Facility Operator's procedures and minimum internal control standards.

H. Card Table Banks.

Card tables shall use an imprest card table bank. For all card table banks, at all times the chips, tokens and money in the card table bank shall equal a pre-established amount, plus dealer tips. The card table banks shall be used for the purpose of making change, handling player buy-ins, or storing dealer tips.

I. Card Table Drop and Count Standards.

- (1) A card table drop shall be performed at the end of each shift. Times for card table drop and count shall be submitted to the Tribal Gaming Office for approval, and the Tribal Gaming Office shall provide a copy to the State Gaming Agency. Card table drop and count shall be conducted only at the scheduled times, except for emergency drops.
- (2) The Tribal Gaming Office shall be notified prior to performing any emergency drop. A written record shall be maintained of all emergency drops indicating the reason, persons involved, date and time.
- (3) Any permanent change to the drop and/or count times shall be submitted to the Tribal Gaming Office for approval prior to any change being implemented by the Gaming Facility Operator. The Tribal Gaming Office shall immediately notify the State Gaming Agency of any approved changes.

J. Tribal Contributions.

The Tribe agrees to include its gross gaming revenue from poker in its Class III Net Win for the purposes of the calculation and payment of its contributions under the Compact and Appendix I.

- (1) For each poker game, gross gaming revenue is equal to the amount of compensation charged players for the opportunity to play and Wager on any poker game. It includes rake, time collection, or any other fee the player is required to pay the Gaming Facility Operator for the opportunity to play and Wager against other players.
- (2) The following shall not be included in the calculation of gross gaming revenue for poker: entry fees or other compensation received by the Gaming Facility Operator for poker tournaments, and prizes paid to winning players as a result of poker tournaments, and free play instrumentalities and match play instrumentalities.

K. Limitations on Jackpots.

Poker played pursuant to this Agreement shall not include a jackpot promotional fund, jackpot rake, jackpot promotional award, or bad beat pots or pools. Poker which includes any of these jackpot features may only be played as specified in Appendix F(2) of the Compact.

L. Poker Tournaments.

- (1) The Gaming Facility Operator may conduct poker tournaments. At such tournaments only poker games approved and authorized by the Tribal Gaming Office and the State Gaming Agency may be played. The rules of play of each tournament game shall follow the standard rules of play of each game.
- (2) The Gaming Facility Operator shall submit for approval to the Tribal Gaming Office operational standards, rules and procedures to govern the conduct and play of any poker tournament. The Tribal Gaming Office shall review and issue a letter either approving or disapproving the operational standards, rules and procedures prior to the beginning of tournament play.
- (3) Copies of tournament standards, rules and procedures shall be provided to the State Gaming Agency prior to implementation for review and approval. Within seven (7) days of receipt, the State Gaming Agency shall submit to the Tribal Gaming Office written comments and objection to the proposed rules and procedures. If the State Gaming Agency does not object within seven (7) days, then the rules and procedures are deemed approved. If the State Gaming Agency does object, the Tribal Gaming Office and the State Gaming Agency shall meet and confer within fourteen (14) days in a good faith effort to resolve the objections. Unresolved objections to any proposed rules and procedures shall be resolved expeditiously pursuant to the provisions of Section 15 of the Compact prior to implementation.
- (4) The operational standards, rules and procedures for the conduct of tournament play shall be:
 - (a) Available to all tournament players prior to the beginning of the tournament; and
 - (b) Posted in a conspicuous location.

- (5) The operational standards, rules and procedures shall include but are not limited to:
 - (a) Qualification or selection criteria which limit the eligibility of tournament players. Proposition players shall not be permitted to play as proposition players in tournament play;
 - (b) Regulations of the tournament (i.e., beginning and ending times, number of rounds, lapse of rounds, entry fee, elimination factors, cash handling procedures, etc.); and
 - (c) Prizes to be awarded.

M. Entry Fee and Player Buy-in.

Poker tournament entry fees and buy-ins shall be documented on a tournament entry fee and buy-in log. The following information, at a minimum, shall be recorded on the log at the time the entry fee or buy-in is conducted: name of player and amount of entry fee or buy-in. Neither the amount of the tournament entry fee nor the amount of all allowable player buy-ins shall exceed five hundred dollars, unless a greater amount is approved by the Tribal Gaming Office and reported to the State Gaming Agency. If both an entry fee and buy-ins are used at a single tournament, then the combined amount of both the entry fee and all allowable buy-ins shall not exceed five hundred dollars, or the amount approved by the Tribal Gaming Office and reported to the State Gaming Agency.

IV. RESOLUTION OF DISPUTES

A. Notice/Negotiation.

If either the Tribe or the State believes the other has failed to comply with the requirements set forth in this Agreement, or if a dispute arises as to the proper interpretation of those requirements, then either party may serve a written notice on the other identifying the specific provision or provisions of the Agreement in dispute and specifying in detail the factual bases for any alleged non-compliance and/or the interpretation of the provision of the Agreement proposed by the party providing notice. Within ten (10) days following delivery of the written notice of dispute, the Executive Director of the Tribal Gaming Office and the Director of the State Gaming Agency shall meet in an effort to voluntarily resolve the compliance or interpretation dispute through negotiation. If those negotiations fail to resolve the dispute, the Executive Director of the Tribal Gaming Office, the Director of the State Gaming Agency, and representatives designated by the Governor of Arizona and the Chairman of the Tribe shall meet in a further effort to voluntarily resolve the dispute through further negotiation.

B. Mediation.

If the Tribe and the State are unable to resolve by negotiation any dispute regarding compliance with the requirements of the Agreement, or the proper interpretation of those requirements, within thirty (30) days after delivery of the written notice of dispute, the Tribe and the State shall, upon the request of either party, endeavor to settle the dispute in an amicable manner by non-binding mediation administered by the CPR Institute for Dispute Resolution ("CPR") under its mediation procedures dated April 1, 1998 (unless otherwise agreed to by the parties), and the procedures set forth below. Although the parties shall be required to participate in the mediation process if requested, a request for mediation shall not preclude either party from pursuing any other available remedy.

(1) Selection of mediator.

If the parties agree upon a mediator, that person shall serve as the mediator. If the parties are unable to agree on a mediator within ten (10) days of a request for mediation, then the CPR (i) shall select an attorney from the CPR Panel of Distinguished Neutrals to be the mediator or (ii) if requested by the parties, shall select the mediator from a list of potential mediators approved by the parties.

(2) Conduct of mediation.

The mediator shall control the procedural aspects of the mediation and shall be guided by the mediation procedures promulgated by the CPR.

(3) Costs of mediation.

The costs of mediation shall be borne equally by the parties, with one-half (½) of the expenses charged to the Tribe and one-half (½) of the expenses charged to the State.

C. Arbitration.

If the Tribe and the State fail to resolve such a dispute regarding compliance with the requirements of the Agreement or the proper interpretation of those requirements through negotiation or mediation within thirty (30) days after delivery of the written notice of dispute, upon a demand by either party, the dispute shall be settled through binding arbitration at a neutral location and, unless otherwise agreed to by the parties, the arbitration shall be conducted in accordance with the Rules, as modified by the following:

(1) Demand for arbitration.

No earlier than thirty (30) days after the delivery of the notice required under Section III.A. above, either party may serve on the other a written demand for arbitration of the dispute, in accordance with CPR Rule 3. The demand shall contain a statement setting forth the nature of the dispute and the remedy sought. The other party shall file a notice of defense and any counterclaim within twenty (20) days, in accordance with CPR Rule 3. Failure to provide a notice of defense shall not delay the arbitration. In the absence of a notice of defense, all claims set forth in the demand shall be deemed denied.

(2) Arbitrators.

Unless the parties agree in writing to the appointment of a single arbitrator, the arbitration shall be conducted before a panel of three (3) arbitrators. In the absence of an agreement to a single arbitrator, within twenty (20) days of the defending party's receipt of the demand, each party shall select an arbitrator. As soon as possible thereafter, but in no event more than forty (40) days following delivery of the demand, the party-appointed arbitrators shall discuss and select a third (3rd) arbitrator from the Panel of Distinguished Neutrals, who shall chair the tribunal. Alternatively, if the parties have agreed upon a list of arbitrators acceptable to both parties, the CPR shall select the third (3rd) arbitrator from that list. Unless the parties agree otherwise, at least one (1) of the arbitrators on the tribunal shall be an attorney or retired judge knowledgeable about the Act, Federal Indian law, and jurisdiction within Indian country. If the parties do not appoint an arbitrator with those qualifications, the party-appointed arbitrators or the CPR shall do so. Once the tribunal is impaneled, there shall be no ex parte contact with the arbitrators, except for contacts with the office of the tribunal chair regarding scheduling or other purely administrative matters that do not deal with substantive matters or the merits of the issues.

(3) Selection of arbitrator(s) by the CPR.

If a party fails to appoint an arbitrator, or if the party-appointed arbitrators have failed to appoint a third (3rd) arbitrator within the time period set forth above, either party may request appointment of the arbitrator by the CPR. The request shall be made in writing and served on the other party. CPR shall fill any vacancies on the tribunal within ten (10) days of a request in accordance with CPR Rule 6.

(4) Neutrality of the arbitrators.

All arbitrators shall be independent and impartial. Upon selection, each arbitrator shall promptly disclose in writing to the tribunal and the parties any circumstances that might cause doubt regarding the arbitrator's independence or impartiality. Such circumstances may include, but shall not be limited to, bias, interest in the result of the arbitration, and past or present relations with a party or its counsel. Following such disclosure, any arbitrator may be challenged in accordance with CPR Rule 7.

(5) Cost of arbitration.

The costs of arbitration shall be borne equally by the parties, with one-half (½) of the expenses charged to the Tribe and one-half (½) of the expenses charged to the State.

- (6) Preliminary conference/hearing.
The tribunal shall hold an initial pre-hearing conference no later than thirty (30) days following the selection of the members of the tribunal and shall permit discovery and make other applicable decisions in accordance with CPR Rules 9 through 12. Unless the parties agree otherwise, or unless the tribunal determines that compelling circumstances exist which demand otherwise, the arbitration shall be completed within one hundred and eighty (180) days of the initial pre-hearing conference.
- (7) Discovery.
- (a) Documents.
Consistent with the expedited nature of arbitration, each party will, upon the written request of the other party, promptly provide the other with copies of documents relevant to the issues raised by any claim or counterclaim or on which the producing party may rely in support of or in opposition to any claim or defense. Except as permitted by the tribunal, all written discovery shall be completed within ninety (90) days following the initial pre-hearing conference. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the tribunal, whose determination shall be conclusive.
- (b) Depositions.
Consistent with the expedited nature of arbitration and unless the parties agree otherwise, a party, upon providing written notice to the other party, shall have the right to take the depositions of up to five (5) witnesses, each of which shall last no longer than one (1) day. Unless the parties agree otherwise, additional depositions shall be scheduled only with the permission of the tribunal and for good cause shown. A party's need to take the deposition of a witness who is not expected to be available for an arbitration hearing shall be deemed to be good cause. Except as permitted by the tribunal, all depositions shall be concluded within one hundred and twenty (120) days following the initial pre-hearing conference. All objections that might be raised to deposition testimony shall be reserved for the arbitration hearing, except for objections based on privilege, proprietary or confidential information, and objections to form or foundation that could be cured if raised at the deposition.
- (8) Injunctive relief in aid of arbitration.
The Tribe or the State may seek in a court of competent jurisdiction (a) provisional or ancillary remedies, including preliminary injunctive relief, pending the outcome of an arbitration proceeding, or (b) permanent injunctive relief to enforce an arbitration award.
- (9) Arbitration hearing.
- (a) Notice/transcript.
Unless the parties agree otherwise, the tribunal shall provide the parties with at least sixty (60) days notice of the date of the arbitration hearing. Unless the parties agree otherwise, there shall be a stenographic record made of the hearing, with the cost to be shared by the Tribe and the State. The transcript shall be the official record of the proceeding.
- (b) Last, best offer format.
The arbitrators shall conduct each arbitration proceeding using the "last, best offer" format, unless any party to an arbitration proceeding opts out of the "last, best offer" arbitration format in the manner set forth below.
- (i) No later than forty (40) days before the arbitration hearing (or forty (40) days before the date the dispute is to be submitted to the tribunal for decision if oral hearings have been waived), each party shall submit to the other party or parties to the arbitration a preliminary last, best offer for those issues that will be decided using the last, best offer format.

- (ii) No later than twenty (20) days before the arbitration hearing (or twenty (20) days before the date the dispute is to be submitted to the tribunal for decision if oral hearings have been waived), each party shall submit to the tribunal and the other party or parties to the arbitration its pre-hearing last, best offer for those issues that will be decided using the last, best offer format.
- (iii) No later than ten (10) days after the conclusion of the arbitration hearing (or ten (10) days before the date the dispute is to be submitted to the tribunal for decision if oral hearings have been waived), each party shall submit to the tribunal and the other party or parties to the arbitration its final last, best offer for those issues that will be decided using the last, best offer format.
- (iv) Except as otherwise provided herein, for each issue to be decided using the last, best offer format, the tribunal shall, for its decision on the issue, adopt one of the last, best offers submitted and no other remedy (excepting only remedies in aid of the tribunal's decision). If the tribunal expressly determines that a last, best offer submitted by a party with respect to an issue or issues does not comply with this Agreement as it may be amended and as it is interpreted by courts of competent jurisdiction, or is not consistent with the Compact, as it may be amended and as it is interpreted by courts of competent jurisdiction, then the tribunal shall reject that last, best offer and shall not consider it in rendering its decision. If the tribunal expressly determines that all the last, best offers submitted by the parties with respect to an issue or issues do not comply with this Agreement, as it may be amended and as it is interpreted by courts of competent jurisdiction, or are not consistent with the Compact, as it may be amended and as it is interpreted by courts of competent jurisdiction, then the tribunal shall reject all the last, best offers and shall decide the related issue or issues as if the parties had elected to have the issue or those issues decided without using the "last, best offer" format. In addition, the tribunal shall have no authority to award money damages against either party, regardless of whether a last, best offer proposes an award of damages.
- (c) Opting out of last, best offer format. Unless the parties agree otherwise, a party desiring to opt out of the "last, best offer" arbitration format shall serve a written notice of its election no later than fifty (50) days before the arbitration hearing (or fifty (50) days before the date the dispute is to be submitted to the tribunal for decision if oral hearings have been waived). The notice shall:
 - (i) Identify with specificity the issue or issues that the arbitrators will decide without using the "last, best offer" arbitration format, or
 - (ii) State that the arbitrators will not use the "last, best offer" arbitration format.
- (10) Decision of the tribunal.
 The decision of the tribunal shall be in writing, setting forth detailed findings of fact and conclusions of law and a statement regarding the reasons for the disposition of each claim. If the tribunal determines that a last, best offer does not comply with this Agreement, as it may be amended and as it is interpreted by courts of competent jurisdiction, or is not consistent with the Compact, as it may be amended and as it is interpreted by courts of competent jurisdiction, the decision of the tribunal shall set forth detailed findings of fact and conclusions of law and a statement regarding the reasons for the tribunal's determination. The written decision of the tribunal shall be made promptly and, unless otherwise agreed to by the parties, no later than forty (40) days

from the date of the closing of the hearing or, if oral hearings have been waived, no later than forty (40) days from the date the dispute is submitted to the tribunal for decision. The tribunal may take additional time to render its decision if the tribunal determines that compelling circumstances require additional time. The tribunal may issue awards in accordance with CPR Rule 13, to the extent that rule is consistent with Section III(c). The decision of the majority of the arbitrators shall be final, binding, and non-appealable, except for a challenge to a decision on the grounds set forth in 9 U.S.C. § 10. The failure to comply with a judgment upon the award of the arbitrators shall be a breach of the Compact.

(11) Governing law/jurisdiction.

Title 9 of the United States Code (the United States Arbitration Act) and the Rules shall govern the interpretation and enforcement of Section III(c), but nothing in Section III(c) shall be interpreted as a waiver of the State's Tenth Amendment or Eleventh Amendment immunity or as a waiver of the Tribe's sovereign immunity. The tribunal shall resolve the disputes submitted for arbitration in accordance with, and every decision of the tribunal must comply with this Agreement, as it may be amended and as it is interpreted by courts of competent jurisdiction, and be consistent with the Compact, as it may be amended and as it is interpreted by courts of competent jurisdiction. The tribunal shall have no authority to award money damages against either party.

(12) Judicial confirmation.

Judgment upon any award rendered by the tribunal may be entered in any court having competent jurisdiction.

D. Enforcement.

The parties agree that an arbitration award entered pursuant to this Section will be enforced in Federal Court. In the event that Federal Court denies jurisdiction, the parties agree that the award can be enforced in State court.

REGULATION AND MONITORING OF AGREEMENT

The Tribe and the State agree that the parties shall have the same role, responsibilities, and authority with respect to the monitoring and regulation of poker and compliance with this Agreement as set forth in the Compact and its appendices with respect to monitoring and regulation of gaming and monitoring of Compact compliance. As a result, among other things, poker employees shall be licensed and/or certified as set forth in the Compact, there will be security and surveillance as called for by the Compact with respect to the poker games and card rooms, measures for player disputes and to protect the public health and safety established by the Compact shall apply to poker players and the conduct of poker and card rooms, the conduct of poker shall meet operational requirements, and Compact provisions for Tribal regulation and State monitoring of gaming shall apply to the conduct of poker and operation of card rooms.

NOTICES

All notices required or authorized to be served under this Agreement shall be served by certified mail (return receipt requested), commercial overnight courier service, or personal delivery at the following addresses, or such other address as either party shall hereafter inform the other by written notice:

State: State Gaming Agency
202 East Earll, Suite 200
Phoenix, Arizona 85012

Tribe: _____ Tribal Gaming Agency

AUTHORITY TO EXECUTE

The persons signing this Agreement on behalf of the Tribe and the State represent that they have the authority to bind the respective parties to its terms.

ENTIRE AGREEMENT

This Agreement between the Tribe and the State constitutes the entire agreement of the parties. The parties' agreement shall not be construed to amend the Compact. This Agreement shall be governed by and construed in accordance with the applicable laws of the United States, and the Tribe and the State.

EFFECTIVE PERIOD

This Agreement shall become effective on the later of (a) the Effective Date of the Compact or (b) the date when the Ak-Chin Indian Community, the Fort McDowell Yavapai Nation, the Gila River Indian Community, and the Salt River Pima-Maricopa Indian Community have entered into the same agreement with the State. This Agreement shall remain in effect for as long as the Compact is in effect and shall expire and terminate without further action of the parties thereafter, unless the parties agree otherwise before this Agreement expires.

COUNTERPARTS

This Agreement may be executed in counterparts, all of which together shall constitute one original document. A signature delivered by facsimile or other electronic transmission shall have the same effect as an original signature, and any party transmitting its signature by facsimile shall furnish the other party an original signature within 72 hours of any facsimile transmission.

INTERPRETATION

The State and the Tribe have agreed to use the particular language in this Agreement, and no ambiguity in this Agreement shall be construed against either party. Terms in this Agreement that are not defined shall have the meaning given to them in the Compact.

MODIFICATIONS

This Agreement may be amended and modified only in writing in a document signed by the parties.